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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting July 11, 2023

DATE: June 23, 2023

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division

SUBJECT: Maritime Blue Annual Report

EXECUTIVE SUMMARY

Four years ago, the Port of Seattle executed a memorandum of understanding (MOU) with Washington Maritime Blue (MB), a new nonprofit organization founded to implement Washington State's Strategy for the Blue Economy. The Memorandum of Understanding laid out general areas of cooperation and subsequent service contracts have formalized the Port's partnership with MB on maritime innovation and workforce initiatives.

The MOU and Port service agreements with MB have yielded an effective partnership that is advancing the development of Washington's Blue Economy. Over the past year, we have jointly launched another successful maritime innovation accelerator, expanded the equity-based youth maritime workforce development initiatives, and initiated other efforts to advance sustainability within the maritime industry.

The partnership to build a Blue Economy is working. Over the next year our priorities include:

? Advancing the maritime innovation accelerator program (our fourth cohort).

? Establishing a new maritime incubator program at Fishermen's Terminal.

? Operating the Quiet Sound initiative to reduce the impacts to Southern Resident Killer Whales from large commercial vessels.

? Standing up a new Offshore Wind collaborative to support the development of this industry supply chain in Washington State.

? Supporting equitable workforce development internship programs.

MARITIME BLUE PROGRESS AND RESULTS

In 2019, the Port of Seattle helped Washington State develop a compelling long-term strategy for a Blue Economy. It outlined goals to modernize the maritime industry by accelerating its path towards sustainability. By advancing innovation, growing maritime gateways, reducing greenhouse gas emissions, and investing in workforce development, Washington's maritime industries and communities could prosper.

Maritime Blue, a cluster-based organization born to implement the Blue Economy Strategy.

The organization reflects a partnership between private industry, government, education, and

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community-based organizations. Maritime Blue has grown significantly over the last four years. It now has 120+ members from national research labs to startups to global technology providers, and community-based workforce partners.

The Port of Seattle has played a pivotal role in the growth and development of Maritime Blue.

The Port and Maritime Blue signed a Memorandum of Understanding in July 2019 that formalized our support for the organization and its work to advance the Blue Economy.

Subsequent service agreements with Maritime Blue have supported the Maritime Blue Innovation Accelerator and the formation of the Youth Maritime Collaborative and subsequent workforce development initiatives and the Quiet Sound initiative designed to reduce the impacts to Southern Resident Killer Whales from large commercial vessels.

Maritime Blue Innovation Accelerator

MB just finished running its fourth maritime innovation accelerator. Seven companies participated in the program, each considered "VC investment ready" and has become the premiere program now widely considered a world-class program attracting best-in-class maritime, oceans, and fisheries startups.

Initial results from the accelerator are promising:

- Atargis Energy has secured significant non-dilutive funding from public sources.
- Gybe has secured two key demonstration project commitments.
- Berkeley Marine Robotics has secured private investment.
- Dockshare has raised over \$450K in a public campaign.
- Others are currently in the "due diligence" process with venture capital investors.

Maritime Blue's cadre of mentors is extensive and a key ingredient in the overall success of the accelerator. The program features weekly CEO roundtables with industry experts and hundreds of hours of individual meetings with each company.

To date, MB supported startups have raised more than \$400M in funding and investment and created more than 400 jobs in the region. The marquee Maritime Blue Innovation Accelerator is supplemented by other venture programs including the Tacoma Maritime Blue Incubator, the One Accelerator (for international startups seeking US markets) and the newly established Seattle Maritime Blue Incubator at Fishermen's Terminal.

Joint Innovation Programs: Quiet Sound & Blue Wind

MB facilitates strategic initiatives, collaborative programs, joint development projects that bring together industry, public sector, research institutions and NGOs to solve critical local challenges, support emerging markets, and demonstrate new technology. Quiet Sound was created with initial support from the Port of Seattle and NWSA to reduce impacts to Southern Resident Killer Whales from large commercial vessels and has been extremely successful in its first two years of operations including the first voluntary slowdown and the implementation of the Whale Report Alert System (WRAS) in WA waters. Blue Wind is the final stage of

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development to formally develop and activate an offshore wind supply chain across Washington State through an equitable community benefits lens. Several Joint Innovation Projects (JIP).

Equitable Career Pathways

Efforts to orient young women, low-income youth, and youth of color have progressed because of Maritime Blue's work on the Youth Maritime Collaborative (YMC) and internship programs for youth and early entry young adults into maritime and blue economy careers.

Over the past two years, MB implemented its Youth Maritime Accelerator Project (YMAP). 28 interns from diverse backgrounds participated in eight-week paid internships and received a stipend at the end for their experiences. Youth are able to work with more than 15 maritime employers and participate in several experiential learning events as part of the YMAP.

MB was selected in Fall 2022 to support the Port's Youth Maritime Career Launch initiative and are currently recruiting employers and youth ages 18-24 for full-time internships with the intention to lead towards full-time employment. The first cohort will launch in Fall 2023.

These programs have been supported as well through the City of Seattle, the state's Career Connect Washington initiative and philanthropic funding.

Organization Growth and Development

Maritime Blue has made tremendous strides over the last four years since our Memorandum of Understanding was executed to help jumpstart this new cluster association. The organization has secured significant new grants and private funding to support its key projects and overall mission. Maritime Blue's 22/23 budget is \$2.71 million of which approximately \$750,000 comes from the Port of Seattle through several separate contacts.

This continued partnership between the Port and Washington Maritime Blue helps galvanize the Port's commitment to the values of the State's Strategy for the Blue Economy; A growing maritime and ocean economy, healthy ocean and marine ecosystems, and equitable and resilient communities. The original MOU, coupled with committed funding allows Maritime Blue to utilize its growing network of private industry, public sector, research & academic institutions, and community & workforce organizations deliver our strategic goals to create herein Washington a:

- Thriving Low-Carbon Maritime Industry through Deep Decarbonization;
- Global Innovation Hub through Joint Innovation and Entrepreneurship;
- Green Gateway through Working Waterfronts that create safe jobs support climate and environmental action;
- Diverse and Equitable 21st Century Maritime Workforce; and
- World Class Cluster through a Strategic Alliance for Maritime Innovation and Sustainability.

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ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 9, 2022 – The Commission authorized two-year contract with Maritime Blue to support innovation accelerator and other key Blue initiatives.

July 13, 2021 - The Commission was briefed on Maritime Blue's maritime innovation accelerator and other Blue initiatives.

August 4, 2020 – The Commission authorized two-year contract with Maritime Blue to support innovation accelerator and other key Blue initiatives.

July 14, 2020 – The Commission was briefed on Maritime Blue's inaugural innovation accelerator and other Blue initiatives.

July 23, 2019 – The Commission authorized one-year contract with Maritime Blue to implement priorities established in Memorandum of Understanding.

July 9, 2019 – The Commission authorized executive of Memorandum of Understanding with Washington Maritime Blue to clarify partnership opportunities and responsibilities.

May 14, 2019 – The Commission authorized design funding for the Maritime Innovation Center (Historic Ship Supply Building).

January 8, 2019 – Commission received a briefing regarding Maritime Blue Plan and the Maritime Innovation Center.

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